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IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
INC., AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN ITS  
RATES AND CHARGES BASED THEREON  
FOR UTILITY SERVICE BY ITS SUN CITY  
WEST WATER AND WASTEWATER  
DISTRICTS.

Docket No. WS-01303A-02-0867

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
INC., AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN ITS  
RATES AND CHARGES BASED THEREON  
FOR UTILITY SERVICE BY ITS SUN CITY  
WATER AND WASTEWATER DISTRICTS.

Docket No. WS-01303A-02-0868

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
INC., AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN ITS  
RATES AND CHARGES BASED THEREON  
FOR UTILITY SERVICE BY ITS MOHAVE  
WATER DISTRICT AND ITS HAVASU WATER  
DISTRICT.

Docket No. WS-01303A-02-0869

**RUCO's BRIEF ON THE  
APPLICABILITY OF THE  
TIMECLOCK RULES AS SET FORTH  
IN A.A.C. R14-2-103(B)(11)**

1 IN THE MATTER OF THE APPLICATION OF  
2 ARIZONA-AMERICAN WATER COMPANY,  
3 INC., AN ARIZONA CORPORATION, FOR A  
4 DETERMINATION OF THE CURRENT FAIR  
5 VALUE OF ITS UTILITY PLANT AND  
6 PROPERTY AND FOR INCREASES IN ITS  
7 RATES AND CHARGES BASED THEREON  
8 FOR UTILITY SERVICE BY ITS AGUA FRIA  
9 WATER DISTRICT AND ITS ANTHEM / AGUA  
10 FRIA WASTEWATER DISTRICT.

Docket No. WS-01303A-02-0870

6 IN THE MATTER OF THE APPLICATION OF  
7 ARIZONA-AMERICAN WATER COMPANY,  
8 INC., AN ARIZONA CORPORATION, FOR A  
9 DETERMINATION OF THE CURRENT FAIR  
10 VALUE OF ITS UTILITY PLANT AND  
11 PROPERTY AND FOR INCREASES IN ITS  
12 RATES AND CHARGES BASED THEREON  
13 FOR UTILITY SERVICE BY ITS TUBAC  
14 WATER DISTRICT.

Docket No. WS-01303A-02-0908

**RUCO's BRIEF ON THE  
APPLICABILITY OF THE  
TIMECLOCK RULES AS SET FORTH  
IN A.A.C. R14-2-103(B)(11)**

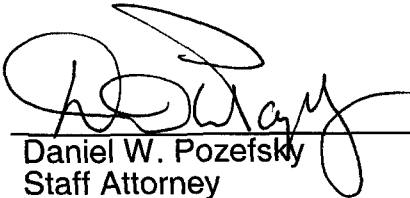
11 The Residential Utility Consumer's Office ("RUCO") hereby submits its Brief on the  
12 applicability of the timeclock rules set forth on A.A.C. R14-2-103(B)(11). RUCO does not  
13 take issue with the arguments raised in Arizona-American Water Company's ("Company")  
14 brief of June 18, 2003.

15 RUCO would add the following point. Further evidence that A.A.C. R14-2-103  
16 (B)(11)(f) and (g) contain inadvertent errors by referring back to A.A.C. R14-2-  
17 103(B)(11)(a) can be found in footnote number 4 on page 20 of Attachment B to Decision  
18 No. 57875<sup>1</sup>. In discussing the timeclock rules, it was noted in the concise explanatory  
19 statement that subparagraph (d)<sup>2</sup> was included in the initial proposed amendments as  
20 subparagraph (a) and was renumbered to subparagraph (d) when the Commission  
21 adopted the changes to the Rules. The logical explanation is that the reference back to  
22 subsection (a) did not take into account the renumbering.

23 <sup>1</sup> Decision No. 57875, referenced in the Company's Brief, approved the proposed amendments to A.A.C.  
24 R14-2-103. Attached as Exhibit 1 is a copy of the relevant excerpt of Decision No. 57875.

<sup>2</sup> A.A.C. R14-2-103(B)(11)(d) – this subsection actually establishes the timeframes for the issuance of a final order.

1 RESPECTFULLY SUBMITTED this 27<sup>th</sup> day of June, 2003.

2  
3   
4 Daniel W. Pozefsky  
Staff Attorney

5 AN ORIGINAL AND TWENTY-ONE COPIES  
6 of the foregoing filed this 27<sup>th</sup> day  
7 of June, 2003 with:

8 Docket Control  
9 Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

10 COPIES of the foregoing hand-delivered/  
11 mailed this 27<sup>th</sup> day of June, 2003 to:

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By   
Jennifer Rumph

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# EXHIBIT

## 1

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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

RENZ D. JENNINGS  
CHAIRMAN  
MARCIA WEEKS  
COMMISSIONER  
DALE H. MORGAN  
COMMISSIONER

JAN 18 1992

DOCKETED BY

JLP

IN THE MATTER OF THE PROPOSED  
AMENDMENTS TO A.A.C. R14-2-103  
CONCERNING RATE APPLICATION  
MANAGEMENT.

DOCKET NO. R-0000-91-347

DECISION NO. 57875

OPINION AND ORDER

DATES OF HEARING: January 23 and 30, 1992  
PLACES OF HEARING: Phoenix and Tucson, Arizona  
PRESIDING OFFICER: Beth Ann Burns  
IN ATTENDANCE: Chairman Renz D. Jennings  
Commissioner Marcia Weeks  
Commissioner Dale H. Morgan

APPEARANCES: Mr. Stephen J. Berg, Attorney, Legal  
Division, on behalf of the Staff of the  
Arizona Corporation Commission.

BY THE COMMISSION:

By Decision No. 57603, dated November 6, 1991, the Arizona  
Corporation Commission ("Commission") promulgated proposed amendments  
to A.A.C. R14-2-103 which would, inter alia, change the gross annual  
operating revenue amounts for the various utility classifications and  
establish time limits for the Commission's processing of rate  
applications.

By Procedural Order dated November 14, 1991, a hearing in this  
matter was scheduled for January 23, 1992 in Phoenix, Arizona and  
January 30, 1992 in Tucson, Arizona for the purpose of taking public  
comments on the proposed amendments. The Procedural Order also set  
February 14, 1992 as the deadline for filing written public comments  
on the proposed amendments.

CONCISE EXPLANATORY STATEMENT

The proposed amendments to A.A.C. R14-2-103 were adopted by the Commission in Decision No. 57603 (November 6, 1991). This explanatory statement is provided to comply with the provisions of A.R.S. §41-1027.

I. REASONS FOR ADOPTING THE PROPOSED AMENDMENTS

A.A.C. R14-2-103 sets forth the filing requirements which a public service corporation must meet in submitting an application to the Commission for a change in its authorized rates and charges. The rule, however, does not provide any timelines for processing such an application.

A.A.C. R14-2-103 is being amended to establish reasonable rate application management measures to improve the efficiency of, and provide greater predictability in, the rate review process. The amendments will: increase to a more realistic level the amounts used to identify utility classifications according to gross annual operating income; impose internal timelines for the Commission's processing of rate applications; and establish, for each utility classification, a deadline for issuing a final Commission Order in rate cases of 12 months for Class A and B companies, 9 months for Class C companies, and 6 months for Class D and E companies. In the event the Commission fails to meet the deadline, the amendments allow the utility to pursue interim rate relief, subject to bond and later refund, pending issuance of the final Order.

1        Resolution:     A.A.C. R14-2-103(B)(11)(c) should be amended to  
2 provide that:

3        "c. For all Class A utilities, the Hearing Officer shall issue  
4 a recommended order in the rate case at least 20 days prior to the  
5 last regularly scheduled open meeting in the time period calculated  
6 pursuant to Subparagraph d. of this Paragraph. For all other  
7 utilities, the Hearing Officer shall issue a recommended order at  
8 least 10 days prior to the last regularly scheduled open meeting in  
9 the time period calculated pursuant to Subparagraph d. of this  
10 Paragraph."

11        K.     A.A.C. R14-2-103(B)(11)(d) The Time Clock

12        Issue:     A.A.C. R14-2-103(B)(11)(d) is the key provision in  
13 the proposed amendments.<sup>4</sup> It establishes the time clock. Under  
14 this provision, the Commission will be required to issue final  
15 orders in rate cases within a prescribed time period from the date  
16 that a utility's filing is determined to be sufficient. The  
17 proposed time period for Class A and B utilities is 12 months, for  
18 Class C utilities nine months, and for Class D and E utilities six  
19 months.

20        The comments submitted in this docket express universal support  
21 for the implementation of a timetable to speed case processing and  
22 rate relief. Nearly universal displeasure exists, however, with the  
23 length of the time periods proposed. APS views the timetable as  
24 "not overly ambitious" compared to other jurisdictions which have  
25 legal time constraints on their rate deliberations. U S West  
26

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27        <sup>4</sup> In the initially proposed amendments, this provision was  
28 included as A.A.C. R14-2-103(B)(11)(a). The changes to the rule  
adopted by the Commission herein have caused the subparagraph to be  
renumbered as A.A.C. R14-2-103(B)(11)(d).

- 27 -